



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Ms. Lorri Pickens, Treasurer
Reform America Fund
N4298 12 Corners Road
Black Creek, WI 54106

JUN - 7 2017

RE: RR 17L-16

Dear Ms. Pickens:

The Federal Election Commission ("Commission") has ascertained information in the normal course of carrying out its supervisory responsibilities indicating that the Reform America Fund and you, in your official capacity as treasurer (the "Committee"), may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). The matter has been referred by the Reports Analysis Division to the Commission's Office of General Counsel for possible enforcement action under 52 U.S.C. § 30109.¹ Specifically, the Committee has been referred for failing to file two (2) 24-Hour Reports totaling \$1,044,256.46 to support two (2) independent expenditures disclosed on the 2016 30 Day Post-General Report, made after the 20th day, but more than 24 hours before the 2016 General Election. For further information, a copy of the referral document is enclosed. We have numbered this referral RR 17L-16.

The Act affords you the opportunity to demonstrate in writing that no action should be taken against the Committee in this matter. If you wish to file a response, you may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements should be submitted under oath by persons with relevant knowledge. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 52 U.S.C. §§ 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.²

¹ Notification of this referral is being provided to you pursuant to the Commission's Agency Procedure for Notice to Respondents in Non-Complaint Generated Matters, as published in the Federal Register on August 4, 2009 (74 Fed. Reg. 38,617).

² The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission. Please note that you have a legal obligation to preserve all documents, records, and materials relating to the subject matter of the referral until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

Any correspondence sent to the Commission, such as a response, must be addressed to **one** of the following (note, if submitting via email, this Office will provide an electronic receipt by email):

Mail

Federal Election Commission
Office of Complaints Examination
and Legal Administration
Attn: Donna Rawls, Paralegal
999 E Street, NW
Washington, DC 20463

OR

Email

CELA@fec.gov

If you have any questions, please contact Donna Rawls at (202) 694-1650 or toll free at 1-800-424-9530. For your information, we have enclosed a brief description of the Commission's preliminary procedures for processing possible violations discovered by the Commission.

Sincerely,



Jeff S. Jordan
Assistant General Counsel
Complaints Examination &
Legal Administration

Enclosures:

- 1. Referral from the Reports Analysis Division

REPORTS ANALYSIS DIVISION REFERRAL
TO
OFFICE OF GENERAL COUNSEL

DATE: June 6, 2017

ANALYST: Sarah Juris

I. COMMITTEE:

Reform America Fund
C00581934
Lorri Pickens, Treasurer
N4298 12 Corners Rd.
Black Creek, WI 54106

II. RELEVANT STATUTE:

52 U.S.C § 30104(g)(1)
11 CFR § 104.4(c)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to File 24-Hour Reports)

Reform America Fund ("the Committee") failed to file two (2) 24-Hour Reports totaling \$1,044,256.46 to support two (2) independent expenditures disclosed on the 2016 30 Day Post-General Report, made after the 20th day, but more than 24 hours before the 2016 General Election (Attachment 2).

On December 7, 2016, the Committee filed the 2016 30 Day Post-General Report, covering the period from October 20, 2016 through November 28, 2016, which included a Schedule E (Itemized Independent Expenditures) disclosing twenty-two (22) independent expenditures totaling \$2,553,266.92 made in opposition to two (2) federal candidates. The Committee failed to file two (2) 24-Hour Reports to support two (2) independent expenditures totaling \$1,044,256.46 for the 2016 General Election (Image 201612079037718555-65).

On March 5, 2017, a Request for Additional Information (RFAI) was sent to the Committee referencing the 2016 30 Day Post-General Report. Among other items, the RFAI noted that the Committee may have failed to file one or more of the required 24-Hour Reports for independent expenditures disclosed on the report. A chart was included with the RFAI which identified two (2) independent expenditures, totaling

\$1,044,256.46, for which 24-Hour Reports had not been filed (Image 201703050300081876-78).

On April 6, 2017, Lorri Pickens, the Committee's Treasurer, called the Reports Analysis Division (RAD) Analyst regarding the RFAI referencing the 2016 30 Day Post-General Report. Ms. Pickens asked how to resolve the issue regarding the 24-Hour Reports that had not been filed. The RAD Analyst recommended that she verify that all relevant reports had been filed and advised her that any additional clarification could be provided on the public record (Attachment 3).

On April 10, 2017, the Committee filed an Amended 2016 30 Day Post-General Report. The amended report disclosed no changes in independent expenditure activity from the original report (Image 201704109052053105-15).

On April 19, 2017, the RAD Analyst left a voicemail for Ms. Pickens, asking that she return the call.

Later that day, Ms. Pickens returned the RAD Analyst's call. The RAD Analyst explained that the Committee could be referred for potential further action by the Commission due to the Committee's failure to file 24-Hour Reports for independent expenditures disclosed on the 2016 30 Day Post-General Report. Ms. Pickens stated that she believed a response had been provided by a compliance consultant to address the issue. The RAD Analyst noted that an Amended 2016 30 Day Post-General Report, received April 10, 2017, had been filed, but did not address the missing 24-Hour Reports. The RAD Analyst further explained that not much could be done to remedy the missing reports because they had not been filed in a timely manner. The RAD Analyst advised that an additional amendment or Miscellaneous Electronic Submission ("FEC Form 99") could be filed to provide further clarification about the missing 24-Hour Reports on the public record. Ms. Pickens said she understood and that she would look into filing a statement (Attachment 3).

On April 20, 2017, Paul Kilgore, the Committee's compliance consultant, called to follow-up on the RAD Analyst's previous conversation with Ms. Pickens. He said that memo text should have been attached to the Amended 2016 30 Day Post-General Report, received April 10, 2017, to explain the missing 24-Hour Reports referenced in the RFAI, but was inadvertently omitted. Mr. Kilgore stated that an FEC Form 99 would be filed to provide further clarification (Attachment 3).

On April 21, 2017, the Committee filed an FEC Form 99 in response to the RFAI referencing the 2016 30 Day Post-General Report, which stated:

"When the issue regarding the 24 hour report was brought to our attention we began an internal review. We were able to confirm dozens of 24 hour reports containing over six million dollars in expenditures. The committee clearly had a system in place to report these expenditures in a timely manner, to be transparent and make the public record complete. It appears the report in question is an exception. The committee plan to redouble its

efforts in this area to ensure this doesn't happen again" (Image 201704219052405999).

To date, no further communications have been received from the Committee regarding this matter.

201704219052405999

O-Index (2017-2018)													
Cmte. ID: C00581934 Cmte. Name: REFORM AMERICA FUND													
Treasurer Name: PICKENS, LORRI Address: N4298 12 CORNERS RD, BLACK CREEK, WI 53106-8100													
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER													
Form Tpl	Rpt Tp	Alt	Pgs	Rept Dt	Begin Inq#	Begin Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Repts	Disb	End Cash	Debits & Loans
MS-M			1	1/18/2017	201701189041414257								
MS-O			2	1/24/2017	201701240300076079								
MS-T			1	4/21/2017	201704219052405999								
Totals									\$0		\$0		

O-Index (2015-2016)													
Cmte. ID: C00581934 Cmte. Name: REFORM AMERICA FUND													
Treasurer Name: PICKENS, LORRI Address: N4298 12 CORNERS RD, BLACK CREEK, WI 53106-8100													
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER													
Form Tpl	Rpt Tp	Alt	Pgs	Rept Dt	Begin Inq#	Begin Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Repts	Disb	End Cash	Debits & Loans
MS-M			1	2/24/2016	201602249009331191								
MS-O			2	2/29/2016	201602290300038866								
RQ2	YE	N	2	2/19/2016	201602200300037493	7/24/2015	9/30/2015						
F3N	30G	N	3	3/5/2017	201703050300081876	10/20/2016	11/28/2016						
F3XA	YE	N	10	1/13/2016	2016011319005233875	10/1/2015	12/31/2015		\$0	\$28,592	\$16,265	\$12,326	\$0
F3XA	YE	A	12	2/8/2016	201602080008450221	10/1/2015	12/31/2015		\$0	\$28,592	\$16,261	\$12,410	\$0
F3XA	YE	A	11	2/24/2016	201602249009331191	7/24/2015	9/30/2015		\$12,410	\$750	\$4,357	\$8,803	\$0
F3XN	M2	N	7	2/19/2016	201602190008502419	1/1/2016	1/31/2016		\$8,803	\$0	\$250	\$8,053	\$0
F3XN	M3	N	6	3/20/2016	20160320011928245	2/1/2016	2/28/2016		\$8,303	\$0	\$940	\$7,403	\$0
F3XN	M4	N	6	4/20/2016	20160420014503685	3/1/2016	3/31/2016		\$7,153	\$0	\$250	\$6,903	\$0
F3XN	M5	N	6	5/20/2016	20160520015553854	4/1/2016	4/30/2016		\$6,903	\$0	\$250	\$6,653	\$0
F3XN	M6	N	6	6/20/2016	201606200190089829	5/1/2016	5/31/2016		\$6,653	\$0	\$250	\$6,403	\$0
F3XN	M7	N	6	7/20/2016	20160720021921752	6/1/2016	6/30/2016		\$6,403	\$0	\$250	\$6,153	\$0
F3XN	M8	N	6	8/20/2016	20160820022642434	7/1/2016	7/31/2016		\$6,153	\$50,000	\$262	\$55,891	\$0
F3XN	M9	N	7	9/20/2016	201609200302014573	8/1/2016	8/31/2016		\$55,891	\$1,685,320	\$1,723,095	\$18,115	\$0
F3XN	M10	N	11	10/20/2016	20161020034488686	9/1/2016	9/30/2016		\$55,891	\$1,685,320	\$1,723,095	\$18,115	\$0
F3XA	12G	A	17	4/10/2017	20170410052052873	9/1/2016	9/30/2016		\$18,115	\$4,093,812	\$3,862,977	\$248,950	\$0
F3XA	12G	A	17	4/10/2017	20170410052052913	10/1/2016	10/19/2016		\$18,115	\$4,093,812	\$3,862,977	\$248,950	\$0
F3XA	30G	N	25	12/7/2016	201612070037718541	10/20/2016	11/28/2016		\$248,950	\$3,127,390	\$3,285,827	\$90,512	\$0
F3XN		N	25	10/20/2017	20170410052053091	10/20/2016	11/28/2016		\$248,950	\$3,127,390	\$3,285,827	\$90,512	\$0
F3XN	YE	N	9	1/18/2017	201701189041413802	11/29/2016	12/31/2016		\$90,512	\$14,000	\$94,559	\$9,952	\$0
F3XA	YE	A	9	4/10/2017	20170410052053194	11/29/2016	12/31/2016		\$90,512	\$14,000	\$94,559	\$9,952	\$0
F24N	48		1	9/21/2016	201609219002053795								
F24N	48		1	9/29/2016	201609290032146597								
F24N	24		1	10/21/2016	20161021003450702								
F24N	48		2	10/18/2016	201610180033026932								
F1N		N	5	7/24/2015	201507240000415818								
F24N	48		1	10/13/2016	201610130032421380								
F24N	48		2	10/4/2016	20161004003032165291								
F24N	48		1	10/11/2016	2016101100303275933								
F24N	24		3	10/30/2016	201610300037005189								
F24N	24		1	10/28/2016	201610280037005501								
F24A	24		3	11/1/2016	201611010037017202								

O-Index (2013-2014)																												
Treasurer Name: PICKENS, LORRI Address: N4298 12 CORNERS RD, BLACK CREEK, WI 54105-8100														Cmte. Name: REFORM AMERICA FUND Cmte. ID: C00581934														
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER																												
Form	In	Ret	In	Avl	Recd	Dt	Pas	Begin	Inm#	Beq	Cva	Dt	End	Cva	Dt	Ltr	Mail	Dt	Begin	Cash	Recpts	Disb	End	Cash	Debits	Loans	Debits	& Loans

No records were found for this cycle.

Reform America Fund (C00581934)

2016 30 Day Post-General Report, received December 7, 2016

24-Hour Reports Not Filed

Name of Payee	Date of Dissemination (Schedule E)	Expenditure Amount	Candidate Supported/Opposed	Election
Nonbox	10/31/2016	\$522,128.23 <i>24-Hour Report Required</i>	Clinton, Hillary Rodham	2016 General
Nonbox	10/31/2016	\$522,128.23 <i>24-Hour Report Required</i>	Feingold, Russ	2016 General
Total		\$1,044,256.46		